

**Ecosystem Restoration Subcommittee Meeting  
January 13, 2005  
650 Capitol Mall, 5<sup>th</sup> Floor, Delta Room  
Sacramento, CA  
Meeting Summary**

Subcommittee members (or their alternates) and agency liaisons present:

Mike Aceituno (NOAA Fisheries)  
Gary Bobker (TBI)  
Serge Birk (CVPWA)  
Diana Jacobs, DFG  
Doug Lovell (FFF)

Shana Kaplan (USBR)  
Emma Suarez (CFBF)  
Bernice Sullivan (Friant WUA)  
Darrin Thome (USFWS)  
Tom Zuckerman (CDWA)

**I. Welcome and Introductions (Gary Bobker)**

The meeting began with introductions. Visitors were invited to sit at the table.

**II. Subcommittee Status (Gary Bobker)**

Approval of the November 18, 2004 meeting summary was deferred because too few committee members were present.

There were no requests for changes to the agenda.

**III. Draft Finance Options Report and Ten-Year Finance Plan Update (Dan Castleberry)**

A public workshop will be held on January 19, 2005, from 1:30–3:30 p.m. in the Bay-Delta room to discuss the next steps for financing planning efforts. The discussion at the January 19 meeting will be a follow-up look at two items from the Authority meeting in December that are in need of clarification:

(1) ecosystem water user fees, options, and structure; and (2) options for state and public funding. New information regarding ecosystem fees will be presented. The Authority anticipates information developed through this public process to be submitted and included in the Governor's May Revised budget. Information about this is available on the CALFED website at

<http://www.calwater.ca.gov/FinancePlanning/FinancePlanning.shtml>

The same information will be presented at the joint Authority and BDPAC meeting on February 9–10, 2005, but in less detail.

#### **IV. South Delta Fish Facility Forum Update (Ron Ott, CBDA)**

Today's presentation also was given to the Water Supply Subcommittee.

Ron began his presentation with a brief background about the South Delta Fish Facility (SDFF) Forum. SDFF was convened approximately two years ago in response to funding shortfalls, to optimize protection of fisheries in the South Delta. Current funding available for fish protection is \$100 million. Attendance has been approximately 40–60 people per meeting.

One of SDFF's objectives is to educate stakeholders and agency representatives on fish movement and fish facilities in the South Delta. The OCAP Biological Opinion (BO) states that many issues must be fixed right away. Concerns include the following:

- Age of fish facilities, dating from as far back as 1956 (Tracy Fish Facility).
- Feasibility of solving predation in Clifton Court Forebay.
- Debris removal—debris hampers the ability to save fish and to provide water supply.
- Delta smelt survival—how much is possible to achieve (given that fish screens are assumed to allow 0% survival for Delta smelt entrained)? CHTR studies help inform this question.
- State of understanding of South Delta hydrodynamics.

A science-based approach to these problems, including an adaptive management component, is required. EWA will be a key tool in the long term.

A proposal for a new CALFED policy for fish facilities in the South Bay put together by a group led, at various times, by Diana Jacobs (DFG), Tim Quinn (MWDSC), Kirk Rogers (USBR), and Perry Herrgesell (DFG), was drafted and presented to the SDFF on December 10, 2004. Minutes from the last SDFF meeting, including pictures and diagrams, are available online at <http://calwater.ca.gov/Programs/Conveyance/SDFF/SouthDeltaFishFacilitiesForum.shtml>. The forum is developing a South Delta Fish Facilities Strategy to maximize fish protection given limited resources, look at alternatives to “modular” fish screen facility approach, and to develop assurances. Key dates:

- Comments on the draft due January 14, 2004.
- Revisions to be complete by January 24, 2005.
- SDFF meeting to review the revised draft January 31, 2005, 1:00–3:00 p.m. in the Delta Room, CBDA offices.

Once the white paper is completed, the forum will draft a policy statement and present it to the ERP and other BDPAC subcommittees. After comments from other subcommittees are incorporated, the paper and a recommendation will be presented to the Authority.

### *Discussion*

Serge asked that the provisions in the draft Biological Opinion for the Tracy Pumping Plant OCAP be included in the report document. Tom said that improved screens accompany increased Delta pumping, and he asked if that was still the case, that the level of exports were tied to operation improvements? Ron said that the strategy refers to the 8,500 cfs pumping capability and there is a conversation about the OCAP Biological Opinion and its link to the 8,500 and 10,300 pumping issues. Serge asked if this proposal deviates from the ROD in that it suggests abandoning the modular approach. Ron noted the ROD requires new fish screens be built before going to a pumping regimen of 10,300 cfs, but not for the proposed 8,500 cfs.

Chris Leininger (Ducks Unlimited) asked if OCAP addressed restoration actions. Mike said that OCAP is working for balance and that for NOAA Fisheries there will always be a need for fish screens.

Ron told the subcommittee that this white paper is not a policy document, but rather a recommendation from which policy might eventually be derived. The EIS/EIR on South Delta actions is still being prepared.

## **V. River Screen Policy Update (Bill O’Leary, USFWS)**

Bill gave a brief background of the Anadromous Fish Screen Program (AFSP). The AFSP was mandated by Section 3406(b)(2)(1) of CVPIA to help state to reduce entrainment losses within Sacramento and San Joaquin environments.

This program<sup>1</sup> has successfully assisted with constructing 21 fish screens since 1992. Within the next few years, AFSP plans to screen all flows over 250 cfs within the Sacramento River system. Reduced funding is necessitating revisions in priorities; and an interagency committee was formed in June 2004 to investigate more objective, scientific, and biological perspectives on how to prioritize fish screen projects. Agencies represented on the committee include USFWS-AFSP and the CALFED Science Program.

Current funding is at \$3–3.5 million annually from federal sources. Congress earmarked an additional \$5.4 million, taken from elsewhere in the restoration program. Projects currently in the queue are enough to provide study for the next 5–6 years.

The group is investigating fish population modeling and the use of field entrainment data in models to determine benefits of fish screen projects on population dynamics, escapement to ocean, and population fluctuations over time. This included investigating literature on entrainment, helping the USBR and USFWS measure actual entrainment losses over 3 years to capture information about fish outmigration with respect to the hydrologic cycle, and

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<sup>1</sup> This committee is science-based, charged with quantitative assessment of program benefits.

estimating actual losses at unscreened diversions. An example project they proposed is a CALFED 3-year monitoring program, targeting 100–250 cfs screens.

Because unscreened diversions take fish, screening all diversions is a likely option. However, to make that decision, a quantitative basis for deciding what to screen is needed. The group is still in the research phase and is not prepared to discuss their findings in detail yet.

Fish screens added to the system are state-of-the-art, according to DFG and NOAA Fisheries guidelines. Mike noted that while guidelines are strict, there are four criteria to guarantee efficiency for fish screens, and a waiver can be applied for when deviation from the standard is advantageous.

Serge noted that the CVPIA Restoration Roundtable is also discussing this issue, and suggested that Bill O’Leary meet with others such as Glenn-Colusa Irrigation District, to get their input as well.

## **VI. Prospect Island Update (Lauren Hastings, CBDA, and Lee Laurence, U.S. Bureau of Reclamation)**

The U.S. Bureau of Reclamation (USBR) initiated a process to dispose of the federally owned land at Prospect Island (approximately 1,240 acres). Prospect Island was discussed at a recent Action Coordination Team (ACT) meeting, and Patrick Wright requested that the USBR give a Prospect Island update to the ERP Subcommittee.

Lauren Hastings, CBDA ERP, provided background information for the presentation, including a map of the proposed North Delta Wildlife refuge that was to include Prospect Island, ERP investments in the region and a summary of the recent ERP-funded Lower Yolo Bypass Feasibility Assessment. As part of the feasibility assessment, the Center for Collaborative Policy is conducting stakeholder interviews to identify management issues in the Lower Bypass and the feasibility of a focused stakeholder group using a formal collaborative process to develop a multi-party consensus-derived plan for the area.

Lee Laurence, USBR, provided the history and current status of USBR’s involvement with Prospect Island.

*History and Status.* Prospect Island is in North Delta, immediately east of the Sacramento River Deep Water Ship Channel (DWSC) and the southern end of the Yolo Bypass. As part of a study initiated in 1988, U.S. Army Corps of Engineers (USACE) and NMFS explored the idea of reducing the DWSC levee maintenance costs while restoring wetlands and fisheries in the area. The resulting restoration would re-create freshwater tidal wetland, riparian, and shaded riverine aquatic habitat. In 1994 USACE initiated a study of restoration alternatives in cooperation with DWR, the non-Federal sponsor required under

Section 1135 of the Water Resources Development Act of 1986. At about the same time, the private landowner approached the Trust for Public Land (TPL) with interest to sell the private property. In December 1994, at the direction of Congress, USBR purchased the remaining private land on the island (approximately 1,240 acres) for approximately \$2.8 million from Central Valley Project Restoration Funds.

As part of their support for the project, USFWS formally indicated in 1995 that it would accept management of Prospect Island after the restoration project was constructed and the pending National Wildlife Refuge boundary was established that included the island. Planning for a North Delta National Wildlife Refuge was initiated, and a draft Environmental Assessment was released in 1999. The refuge concept met with local opposition, and a refuge boundary was not established. Consequently, USFWS is not prepared to accept management of Prospect Island or any of the nearby publicly acquired lands as was originally envisioned.

USACE and DWR completed their environmental documents and selected a final restoration plan in 2001. Several CALFED agencies cooperated with USACE and DWR in their study, including USBR, NMFS, USFWS, and California Department of Fish and Game (DFG). By summer 2002, USACE was ready to award a construction contract. Before USACE could make the award, it needed an assurance from DWR that the State could meet its cost-share obligation under USACE's Section 1135 program. DWR secured a commitment for the non-Federal cost-share, based on the original 1996 cost estimates, through ERP-related California Urban Water Agency funds and Delta Levee Program AB 360 funds. DWR requested additional funds from the ERP, but was unable to secure them. USACE could not award a contract to construct the project without the financial assurance of the additional non-Federal cost-share from DWR.

While DWR worked to get additional funds, USBR advised other involved CALFED agencies that USBR would need to initiate disposal of Prospect Island if a project and long-term property owner and manager could not be identified. By 2001, USBR spent more than \$7 million dollars, including unanticipated costs of \$3.2 million for levee repairs and island dewatering. USBR does not have the funds to continue to support long-term operations and maintenance of the property and repair of the levees that surround it. Without near-term implementation of a project or assumption of the land management responsibility (including levee and flood-risk liability) by another agency, it is in USBR's interest to dispose of the property.

In June 2003, USBR notified other Department of the Interior agencies of its intent to dispose of the property. USBR received no responses during the 30-day response period. USBR's next step is to notify Congress of the intent to dispose of the property and then to ask for the Federal General Services Administration (GSA) to act as its agent in the disposal process. USBR prepared

a packet for GSA and intends to notify Congress and initiate the GSA process soon. There are five steps to the GSA process: (1) USBR reports property to GSA for disposal; (2) GSA offers to transfer property to other Federal agencies; (3) If not transferred to another Federal agency, GSA offers property for certain other public uses at up to a 100 percent discount; (4) GSA offers property to eligible public entities for other public uses at fair market value; and (5) GSA offers the property for sale to public and private parties via auction or sealed bid, fair market value required. Additional information on the GSA process can be found at <http://propertydisposal.gsa.gov>. The GSA process is also explained in an online slide presentation that can be viewed at <http://rc.gsa.gov/ResourceCenter/nonPRmain.asp>.

*Discussion.* USBR offered the land to several agencies multiple times in the past few years, but without any takers. Diana Jacobs noted that DFG would be interested in the land for restoration except for some serious considerations. It is on the far side of the DWSC from the other areas to be restored, and so is not contiguous. Potential levee breaches represent a serious legal liability. DFG otherwise “has its hands full” with Liberty Island.

The land in question was in agricultural use up to 1995. Since then, it has been fallow. Margit Aramburu (Delta Protection Commission) stated that the land is now no longer suitable for agricultural use without a large investment, estimated at \$400,000–\$500,000 by agricultural appraisal. She recommends a “strike force” to brainstorm on ways to use the land while it is still available for federal acquisition. Tim Ramirez noted that CBDA could help bring stakeholders together to create a solution that would have more “staying power” than a solution imposed by an agency.

Jeff Hart (Grand Island landowner) noted that Ryer Island landowners are concerned that if Prospect Island were flooded for restoration, water could seep onto Ryer Island and potentially damage the levees. If Ryer Island floods, other adjacent islands could be affected, including Grand Island. Jeff noted that the fallow land on Prospect Island, through natural succession, is returning to excellent riparian habitat. He asked whether Prospect Island could be designated a “mitigation bank,” so mitigation funds could be used to maintain the area and suggested that a conservancy composed of local stakeholders could manage it. Dredge material from the Port of Sacramento could be used to shore up levees.

Butch Hodgkins (SAFCA) noted that SAFCA is planning and supporting a stakeholder effort for locals to develop a long-term plan for the Sacramento River system, from Yuba City and Marysville to the Yolo Bypass. Gary noted that this ties in with the Yolo Bypass contract that would involve stakeholders more closely with decision-making.

It was suggested that this land represents an excellent opportunity for meeting unmet ERP targets. The question was asked, “If not here, where? If not now,

when?" Monitoring studies indicate that native species are inhabitation nearby Liberty Island. The passive restoration that happened there is very encouraging.

Tom Zuckerman, Central Delta Water Agency, noted that there were recommendations against using ERP funds to repair Prospect Island levees because of uncertainties regarding the future restoration and land management and because of the possibility of seepage onto Ryer Island. The Farm Bureau and others have argued against acquiring agricultural properties for restoration.

The Port of Sacramento is interested in Prospect Island as a potential mitigation site for DWSC dredging.

*Next Subcommittee Steps.* USBR drafted its letter to U.S. Congress and the GSA process would likely start within two or three months. Gary suggested that the ERP Subcommittee could put pressure on USBR to slow its process somewhat, and on local stakeholders to speed consensus building for action on their own behalf.

Gary suggested that the ERP Subcommittee give a short, informational update at the next joint BDPAC-Authority meeting, highlighting the consensus-building process and the need for strong local involvement. The Subcommittee recommends that the Authority monitor disposition of the land, and facilitate efforts to ensure future land use is consistent with the Ecosystem Restoration Program's vision for the region.

## **VII. Environmental Water Account Update (Diana Jacobs, DFG)**

The EWA Technical Review Panel's final report will be released soon and presented to the February joint Authority-BDPAC meeting.

The state has yet to responded to Lester Snow's November 22, 2004, letter about integrating EWA and b(2) actions. The state's response will be made public with time for review before the upcoming meeting. Diana said that in some years, b(2) implementation results in greater use than mandated by law, so some adjustment must be made, perhaps with respect to EWA. Environmental groups have raised concern about how this adjustment will be done.

The MOU for the long-term EWA (due to start 2007) must take into account that the framework may change. The schedule for the EIR was extended; originally the Draft EIR was due in February 2005 and at the final was planned for October 2005.

## **VIII. Ecosystem Restoration Program Status**

### *Deputy Director's Report (Dan Castleberry)*

A joint Authority-BDPAC meeting will be held on February 9–10, 2005. Two ERP-related items will be discussed that that meeting in addition to Prospect Island:

- An update on status and background of the Battle Creek Restoration Project, including budget and activities. This update is timed to coincide with the next iteration of the Battle Creek environmental documents.
- A recommendation from staff for an amendment to funding the existing ERP project at Narrows Bypass on the Yuba River.

The ERP Science Board is scheduled to meet March 7–8, the public meeting is on March 8. An early notice for the meeting will be sent to subcommittee members after the agenda is set.

### *Year 4 Annual Report Update and Multi-Year Program Plan (Nancy Ullrey)*

Nancy said the annual report is on schedule to be published by end of January, and will be available on CBDA website and then a printed version will be available mid-February. The structure of this year's report is very similar to last year's, with the accomplishments of the ERP and Watershed Management program elements reported together. ERP Annual Report highlights include the milestones assessment, integrating ecosystem restoration actions with agricultural activities, and a focus on Clear Creek activities. Clear Creek project accomplishments include:

- 13 agencies contributing \$21 million for 80 projects on Clear Creek.
- Almost 90% of targets or milestones complete and on schedule.
- 400% increase in fall-run Chinook salmon over the 97 baseline conditions.
- 40% increase in songbird nesting of key species in restoration sites. Point Reyes Bird Observatory confirmed the first sighting of yellow-billed cuckoo, a big "R" species.

Nancy told the subcommittee that the Multi-Year Program plan has a slightly revised format. The plan focuses on broad ROD commitments and performance measures and the revised format includes adding funding sources for each activity listed under Major Activities. There also is a new public outreach and involvement section.

Key dates to remember:

- February 25, 2005. First draft of the Multi-Year Program Plan available.
- March 25, 2005. Subcommittees are requested to submit their comment letters to the Authority regarding issues, format, or other topics that the



subcommittees want to bring to the attention of the Authority and BDPAC at their combined April 13, 2005 meeting.

- March 17, 2005. Next ERP Subcommittee meeting, at which the subcommittee will review and discuss the plan. The subcommittee should consider only general direction and strategic thinking. Comments on wording and topics other than large-scale issues should be made directly to staff.
- May 16, 2005. A second comment letter from the subcommittees is requested, which should focus on whether the subcommittees recommends the plan for approval at the June 8–9, 2005 joint Authority-BDPAC meeting.

Gary said the subcommittee should consider only general direction and strategic thinking rather than editing the document. Comments regarding wording and topics other than large-scale issues should be made directly to staff.

#### *Broad PSP Update (Dan Ray, Jay Chamberlain)*

Dan provided background information about the status of the current Monitoring and Evaluation PSP. ERP received 41 proposals, seeking a combined total of \$46.3 million for new and previous monitoring projects. The median proposal request was \$710,000. A broad range of proposed projects focus on almost all ERP areas, such as special status species, restoration strategies, tidal marshes, riparian issues, and working landscapes to improve wildlife habitat on agricultural land. The target is to provide \$20 million in grants. The proposals are currently under review and may be accessed at <[http://calwater.ca.gov/Solicitation/ERP\\_Solicitation.shtml](http://calwater.ca.gov/Solicitation/ERP_Solicitation.shtml)>.

Dan next told the subcommittee about efforts regarding the next “Broad PSP.” Other projects will seek additional funding under this PSP that can grant up to \$40 million from Proposition 50, Proposition 13, CVPIA’s AFRP, and other sources. In addition to providing projects for immediate funding, responses to this broad PSP will yield ideas for possible future projects.

Steps to develop the Broad PSP include drafting text, holding regional and topical meetings to help identify priorities; presenting information to the Ecosystem Restoration, Working Landscapes, and Environmental Justice subcommittees; asking for BDPAC recommendations; and finally going to the Authority for approval.

Some of the funds for the Broad PSP are legally earmarked for a specific type of project. Proposition 50 directs that not less than \$20 million be allocated for projects that assist farmers in integrating agricultural activities with ecosystem restoration, in particular agricultural programs that benefit wildlife and fish. Four categories of draft priorities were established, all of which encourage projects that assist farmers in integrating agricultural activities with ecosystem restoration:

- Incentive-based wildlife/resource conservation projects on working lands.
- Landowner agreements that promote ecosystem restoration.

- Farmland that buffers restored habitats from adverse effects of encroaching urban development.
- Targeted research and pilot scale demonstrations of practices that integrate agricultural activities with ecosystem restoration.

These are consistent with the CALFED ROD. ERP has made good progress toward its goal with respect to ecological restoration in working landscapes. The CALFED Multi-Species Conservation Strategy (MSCS) target is 350,000–375,000 acres of wildlife-friendly agricultural habitat. Recent milestone assessment shows that 310,534 agricultural acres have been or are being conserved. The Annual Report shows that ERP has underwritten protection of 54,000 acres of agricultural land, converting less than 3,500 acres to other uses.

The Working Landscapes Subcommittee's *Framework Project Development and Selection Proposal* will be used as a guide to grant-making. This document offers the following guidelines:

- Develop flexible program solicitations. Issue a two-part Proposal Solicitation for both planning and implementation projects.
- Target landscape-scale opportunity areas (areas with high ecosystem, natural resource, and agricultural values to protect and restore).
- Provide adequate technical and regulatory assistance.
- Leverage non-Bay-Delta program funding, especially the Farm Bill.

Next steps in developing the Broad PSP include topical meetings, regional meetings, and BDPAC subcommittee meetings. No timeline has been established. Subcommittee members were asked to participate in meetings, get the word out to potential grant seekers, and provide feedback through the subcommittee.

## **IX. Next Meetings**

The next meeting of the Ecosystem Restoration Subcommittee is 9 a.m. to 1 p.m. Thursday, March 17, 2005. Agenda items include updates about San Joaquin River activities, Environmental Water Account, and review and recommendations regarding the draft Multi-Year Program Plan.

## **X. Public Comments**

The meeting was adjourned before public comments could be heard.